

EXHIBIT “B”

Baker & Hostetler LLP

45 Rockefeller Plaza

New York, NY 10111

Telephone: (212) 589-4200

Facsimile: (212) 589-4201

David J. Sheehan

Nicholas J. Cremona

*Attorneys for Irving H. Picard, Trustee for the
Substantively Consolidated SIPA Liquidation of
Bernard L. Madoff Investment Securities LLC and
the Estate of Bernard L. Madoff*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

In re:

BERNARD L. MADOFF,

Debtor.

IRVING H. PICARD, Trustee for the Liquidation
of Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

MITCHELL ROSS, in his capacity as personal
representative and primary beneficiary of the estate
of Leon Ross and in his capacity as personal
representative and primary beneficiary of the estate
of Miriam Ross,

Defendant.

Adv. Pro. No. 08-01789 (SMB)

SIPA LIQUIDATION

(Substantively Consolidated)

Adv. Pro. No. 10-04723 (SMB)

Defendants withdrew more than Defendants invested in Defendants' BLMIS accounts. Accordingly, Defendants have received \$1,793,000 of other people's money. This action is brought to avoid and recover the fictitious profits so that this customer property can be equitably distributed among all of the victims of BLMIS in accordance with SIPA, the Bankruptcy Code and applicable law.

JURISDICTION AND VENUE

4. This is an adversary proceeding commenced in this Court, in which the main underlying SIPA proceeding, No. 08-01789 (SMB) (the "SIPA Proceeding"), is pending. The SIPA Proceeding was originally brought in the United States District Court for the Southern District of New York as *Securities Exchange Commission v. Bernard L. Madoff Investment Securities LLC et al.*, No. 08 CV 10791 (the "District Court Proceeding") and has been referred to this Court. This Court has jurisdiction over this adversary proceeding under 28 U.S.C. § 1334(b) and (e)(1), and 15 U.S.C. § 78eee(b)(2)(A) and (b)(4).

5. This is a core proceeding under 28 U.S.C. §§ 157(b)(2)(A), (B), (H) and (O). Pursuant to Local Bankruptcy Rule 7008-1, the Trustee consents to the entry of final orders or judgment by this Court if it is determined that consent of the parties is required for this Court to enter final orders or judgment consistent with Article III of the U.S. Constitution.

6. Venue in this judicial district is proper under 28 U.S.C. § 1409.

7. This adversary proceeding is brought under 15 U.S.C. §§ 78fff(b) and 78fff-2(c)(3), 11 U.S.C. §§ 105(a), 502(a), (b), and (d), 544(b), 548(a), 550(a) and 551, the New York Fraudulent Conveyance Act (N.Y. Debt & Cred. § 270 *et seq.* (McKinney 2001)), and other applicable law.

¹ Hereinafter, applicable sections of SIPA shall be cited as SIPA § ____, and omit reference to title 15, United States Code.

10-04723-STM

DDO31257-2

Filed 08/22/14

Entered 08/22/14

4/14/2016 4:28

Exhibiting

19. Because Madoff claimed that he would carefully time purchases and sales to maximize value, customer funds would intermittently be out of the market. During those times, Madoff claimed that the funds were invested in U.S. Treasury securities (“Treasury Bills”) or mutual funds invested in Treasury Bills. There is no record of BLMIS clearing a single purchase or sale of securities in connection with the SSC strategy at the Depository Trust & Clearing Corporation, the clearing house for such transactions, or any other trading platform on which BLMIS could have traded securities. There are no other BLMIS records that demonstrate that BLMIS traded securities using the SSC strategy.

21. Madoff operated the IA Business as a Ponzi scheme. The money received from IA Business customers was used primarily to make distributions to, or payments for, other customers. The falsified trades reflected in monthly account statements made it appear that the

IA Business accounts included substantial gains on customers' principal investments. The Ponzi scheme collapsed in December 2008, when the requests for redemptions overwhelmed the flow of new investments with BLMIS's IA Business.

22. Since at least the 1970s, BLMIS fraudulently claimed to engage in securities trades for IA Business customers that did not occur. Basic market data reveals that those purported trades did not, and could not, have taken place as reported on BLMIS customer statements. For example, there are many instances where the total number of securities purportedly traded by BLMIS significantly exceeded the entire reported market volume for that particular security on that particular day. Even where BLMIS purportedly traded securities within normal market volumes, there are many instances where the prices of those trades were outside the daily market price range for that security. In many other examples, BLMIS account statements reported trades of a particular security when actual market reports show that particular security simply did not change hands in the market on that reported date.

23. Since at least 1983, BLMIS financial reports filed with the SEC fraudulently omitted the existence of the billions of dollars of customer funds held by BLMIS.

24. BLMIS did not register as an investment adviser with the SEC until August 2006. At that time, BLMIS filed with the SEC a Form ADV (Uniform Application for Investment Adviser Registration) representing, among other things, that BLMIS had 23 customer accounts and assets under management of \$11.7 billion. Thereafter, BLMIS filed a Form ADV annually with the SEC, the latest of which was filed in January 2008. It represented that BLMIS had 23 customer accounts with assets under management of \$17.1 billion. In fact, at that time BLMIS had over 4,900 active customer accounts with a purported value of approximately \$68 billion under management.

27. At all relevant times, BLMIS was insolvent because (i) its assets were worth less than the value of its liabilities; (ii) it could not meet its obligations as they came due; and (iii) at the time of the transfers alleged herein, BLMIS was left with insufficient capital.

28. Upon information and belief, Defendant Mitchell Ross maintains his residence in Pennsylvania. Mitchell Ross is the sole child of Decedents Leon Ross and Miriam Ross. Decedent Leon Ross maintained Account No. 1EM168 and Decedent Miriam Ross maintained Account No. 1EM170 at BLMIS. Upon information and belief, Miriam Ross died on May 24, 2011, and Mitchell Ross was appointed the personal representative of her estate. During the small estate administration of Miriam Ross' assets, all estate assets passed to Leon Ross. Subsequently, Leon Ross died on June 14, 2012, and all of his assets passed to their son,

reality, they were other people's money. The Transfers were made to or for the benefit of Defendants and are set forth in Columns 10 and 11 on Exhibits C and D annexed hereto.

32. The Transfers that are avoidable and recoverable under sections 548(a), 550(a)(1) and 551 of the Bankruptcy Code and applicable provisions of SIPA, particularly SIPA section 78fff-2(c)(3) total at least \$340,000 and \$391,000 for Accounts No. 1EM168 and No. 1EM170 respectively and are referred to hereafter as the "Two Year Transfers." *See* Exhibits C and D, Column 10. The Transfers that are avoidable and recoverable under sections 544(b), 550(a)(1) and 551 of the Bankruptcy Code, applicable provisions of SIPA, particularly SIPA section 78fff-2(c)(3), and applicable provisions of N.Y. CPLR 203(g) (McKinney 2001) and DCL sections 273–279 (McKinney 2001) total at least \$855,000 and \$938,000 for Accounts No. 1EM168 and No. 1EM170 respectively and are referred to hereafter as the "Six Year Transfers." *See* Exhibits C and D, Column 11.

33. The Trustee's investigation is ongoing and the Trustee reserves the right to (i) supplement the information regarding the Transfers and any additional transfers and (ii) seek avoidance and/or recovery of such additional transfers.

34. To the extent that any of the avoidance and/or recovery counts may be inconsistent with each other, they are to be treated as being pled in the alternative.

CUSTOMER CLAIMS

35. On or about June 10, 2009, Decedents filed customer claims with the Trustee which the Trustee has designated as Claim #009488 and Claim #009489 for Accounts No. 1EM168 and No. 1EM170 respectively (the "Customer Claims").

36. On or about May 12, 2010, the Trustee issued a Notice of Trustee's Determination of Claim to Decedents (the "Determinations") with respect to the Customer Claims. Copies of the Determinations are attached hereto as Exhibits E and F.

53. As a result of the foregoing, pursuant to sections 548(a)(1)(B), 550(a), and 551 of the Bankruptcy Code and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Defendants: (a) avoiding and preserving the Two Year Transfers, (b) directing that the Two Year Transfers be set aside, and (c) recovering the Two Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS.

COUNT THREE
FRAUDULENT TRANSFER – NEW YORK DEBTOR AND CREDITOR LAW §§ 276,
278 AND/OR 279, AND 11 U.S.C. §§ 544(b), 550(a) AND 551

54. The Trustee incorporates by reference the allegations contained in the previous paragraphs of this Amended Complaint as if fully rewritten herein.

55. At all times relevant to the Six Year Transfers, there have been and are one or more creditors who have held and still hold matured or unmatured unsecured claims against BLMIS that were and are allowable under section 502 of the Bankruptcy Code or that were and are not allowable only under section 502(e) of the Bankruptcy Code.

56. Each of the Six Year Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

57. Each of the Six Year Transfers was made by BLMIS with the actual intent to hinder, delay or defraud the creditors of BLMIS. BLMIS made each of the Six Year Transfers to or for the benefit of Defendants in furtherance of a fraudulent investment scheme.

58. As a result of the foregoing, pursuant to DCL sections 276, 278 and/or 279, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Defendants: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS.

COUNT FOUR
FRAUDULENT TRANSFER – NEW YORK DEBTOR AND CREDITOR LAW §§ 273
AND 278 AND/OR 279, AND 11 U.S.C. §§ 544(b), 550(a) AND 551

59. The Trustee incorporates by reference the allegations contained in the previous paragraphs of this Amended Complaint as if fully rewritten herein.

60. At all times relevant to the Six Year Transfers, there have been and are one or more creditors who have held and still hold matured or unmatured unsecured claims against BLMIS that were and are allowable under section 502 of the Bankruptcy Code or that were and are not allowable only under section 502(e) of the Bankruptcy Code.

61. Each of the Six Year Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

62. BLMIS did not receive fair consideration for any of the Six Year Transfers.

63. BLMIS was insolvent, or became insolvent as a result of the Six Year Transfers.

64. As a result of the foregoing, pursuant to DCL sections 273, 278 and/or 279, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Defendants: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS.

COUNT FIVE
FRAUDULENT TRANSFER – NEW YORK DEBTOR AND CREDITOR LAW §§ 274,
278 AND/OR 279, AND 11 U.S.C. §§ 544(b), 550(a), AND 551

65. The Trustee incorporates by reference the allegations contained in the previous paragraphs of this Amended Complaint as if fully rewritten herein.

66. At all times relevant to the Six Year Transfers, there have been and are one or more creditors who have held and still hold matured or unmatured unsecured claims against

BLMIS that were and are allowable under section 502 of the Bankruptcy Code or that were and are not allowable only under section 502(e) of the Bankruptcy Code.

67. Each of the Six Year Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

68. BLMIS did not receive fair consideration for any of the Six Year Transfers.

69. At the time BLMIS made each of the Six Year Transfers, BLMIS was engaged or was about to engage in a business or transaction for which the property remaining in its hands after each of the Six Year Transfers was an unreasonably small capital.

70. As a result of the foregoing, pursuant to DCL sections 274, 278 and/or 279, sections 544(b), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Defendants: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS.

COUNT SIX
FRAUDULENT TRANSFER – NEW YORK DEBTOR AND CREDITOR LAW §§ 275, 278 AND/OR 279, AND 11 U.S.C. §§ 544(b), 550(a), AND 551

71. The Trustee incorporates by reference the allegations contained in the previous paragraphs of this Amended Complaint as if fully rewritten herein.

72. At all times relevant to the Six Year Transfers, there have been and are one or more creditors who have held and still hold matured or unmatured unsecured claims against BLMIS that were and are allowable under section 502 of the Bankruptcy Code or that were and are not allowable only under section 502(e) of the Bankruptcy Code.

73. Each of the Six Year Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

74. BLMIS did not receive fair consideration for any of the Six Year Transfers.

75. At the time BLMIS made each of the Six Year Transfers, BLMIS had incurred, was intending to incur, or believed that it would incur debts beyond its ability to pay them as the debts matured.

76. As a result of the foregoing, pursuant to DCL sections 275, 278 and/or 279 and sections 544(b), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Defendants: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS.

COUNT SEVEN
RECOVERY OF SUBSEQUENT TRANSFERS – NEW YORK DEBTOR AND
CREDITOR LAW §§ 278 AND/OR 279 AND 11 U.S.C. §§ 544, 548, 550(a) AND 551

77. The Trustee incorporates by reference the allegations contained in the previous paragraphs of this Amended Complaint as if fully rewritten herein.

78. Each of the Transfers is avoidable under sections 544 and 548 of the Bankruptcy Code, DCL sections 273, 274, 275 and/or 276 and section 78fff-2(c)(3) of SIPA.

79. On information and belief, the subsequent transfers were transferred by Decedents to Subsequent Transferee Defendant.

80. Each of the subsequent transfers was made directly or indirectly to Subsequent Transferee Defendant.

81. Subsequent Transferee Defendant is an immediate or mediate transferee of the subsequent transfers from Defendants.

82. As a result of the foregoing and the avoidance of the within Transfers, pursuant to DCL sections 278 and/or 279, sections 544(b), 548(a), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Subsequent Transferee Defendant: (a) avoiding and preserving the subsequent transfers, (b) directing that the

v. On the Fifth Claim for Relief, pursuant to DCL sections 274, 278 and/or 279, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Six Year Transfers, (b) directing the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS;

vi. On the Sixth Claim for Relief, pursuant to DCL sections 275, 278 and/or 279, sections 544(b), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS;

vii. On the Seventh Claim for Relief, as a result of the avoidance of the within Transfers, pursuant to DCL section 278 and/or 279, sections 544(b), 548, 550(a), and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA recovering the subsequent transfers, or the value thereof, from Subsequent Transferee Defendant for the benefit of the estate of BLMIS;

viii. On all Claims for Relief, pursuant to federal common law and N.Y. CPLR 5001 and 5004 awarding the Trustee prejudgment interest from the date on which the Transfers were received;

ix. On all Claims for Relief, establishment of a constructive trust over the proceeds of the transfers in favor of the Trustee for the benefit of BLMIS' estate;

x. On all Claims for Relief, assignment of Defendant's income tax refunds from the United States, state and local governments paid on fictitious profits during the course of the scheme;

xi. On all Claims for Relief, awarding the Trustee all applicable interest, costs, and disbursements of this action; and

xii. On all Claims for Relief, granting Plaintiff such other, further, and different relief as the Court deems just, proper, and equitable.

Date: August 21, 2014
New York, New York

Of Counsel:

By: /s/ Nicholas J. Cremona

BAKER & HOSTETLER LLP
811 Main, Suite 1100
Houston, Texas 77002-5018
Telephone: (713)751-1600
Facsimile: (713)751-1717
Dean D. Hunt
Email: dhunt@bakerlaw.com
Farrell A. Hochmuth
Email: fhochmuth@bakerlaw.com

BAKER & HOSTETLER LLP
45 Rockefeller Plaza
New York, New York 10111
Telephone: (212) 589-4200
Facsimile: (212) 589-4201
David J. Sheehan
Email: dsheehan@bakerlaw.com
Nicholas J. Cremona
Email: ncremona@bakerlaw.com

*Attorneys for Irving H. Picard, Trustee for the
Substantively Consolidated SIPA Liquidation
of Bernard L. Madoff Investment Securities
LLC and the Estate of Bernard L. Madoff*

MADC0544 00000011

[1] Although BLMIS statements reflect that a larger transfer was made into the account on this date, a portion of the "transferred" funds consisted of fictitious profits which were never achieved and thus could not have been transferred. Accordingly, only the principal remaining in the originating account was transferred into this account on this date.

Page 1 of 2 - IEM170

^[1] Although BLMIS statements reflect that a larger transfer was made into the account on this date, a portion of the "transferred" funds consisted of fictitious profits which were never achieved and thus could not have been transferred. Accordingly, only the principal remaining in the originating account was transferred into this account on this date.

BERNARD L. MADOFF INVESTMENT SECURITIES LLC

In Liquidation

DECEMBER 11, 2008¹

NOTICE OF TRUSTEE'S DETERMINATION OF CLAIM

May 12, 2010

Leon Ross

REDACTED

Maplewood NJ 07040

Dear Leon Ross:

PLEASE READ THIS NOTICE CAREFULLY.

The liquidation of the business of BERNARD L. MADOFF INVESTMENT SECURITIES LLC ("BLMIS") is being conducted by Irving H. Picard, Trustee under the Securities Investor Protection Act, 15 U.S.C. § 78aaa et seq. ("SIPA"), pursuant to an order entered on December 15, 2008 by the United States District Court for the Southern District of New York.

The Trustee has made the following determination regarding your claim on BLMIS Account No. 1EM168 designated as Claim Number 009488:

Your claim for securities is **DENIED**. No securities were ever purchased for your account.

Further, based on the Trustee's analysis, the amount of money you withdrew from your account at BLMIS (total of \$2,135,000.00), as more fully set forth in Table 1 annexed hereto and made a part hereof, is greater than the amount that was deposited with BLMIS for the purchase of

¹ Section 78lll(7)(B) of SIPA states that the filing date is "the date on which an application for a protective decree is filed under 78eee(a)(3)," except where the debtor is the subject of a proceeding pending before a United States court "in which a receiver, trustee, or liquidator for such debtor has been appointed and such proceeding was commenced before the date on which such application was filed, the term 'filing date' means the date on which such proceeding was commenced." Section 78lll(7)(B). Thus, even though the Application for a protective decree was filed on December 15, 2008, the Filing Date in this action is on December 11, 2008.

securities (total of \$505,000.00). As noted, no securities were ever purchased by BLMIS for your account. Any and all profits reported to you by BLMIS on account statements were fictitious.

As reflected in Table 1, certain of the transfers into or out of your account have been adjusted. As part of the Trustee's analysis of accounts, the Trustee has assessed accounts based on a money in/money out analysis (i.e., has the investor deposited more or less than he or she withdrew from BLMIS). This analysis allows the Trustee to determine which part of an account's balance is originally invested principal and which part is fictitious gains that were fabricated by BLMIS. A customer's allowed claim is based on the amount of principal in the customer's account.

Whenever a customer requested a transfer from one account to another, the Trustee analyzed whether the transferor account had principal in the account at the time of the transfer. The available principal in the account was transferred to and credited in the transferee account. Thus, the reason that the adjusted amount of transferred deposits or withdrawals in Table 1 is less than the purported transfer amount is that the transferor account did not have sufficient principal available to effectuate the full transfer. The difference between the purported transfer amount and the adjusted transfer amount is the amount of fictitious gain that was transferred to or from your account. Under the money in/money out analysis, the Trustee does not give credit for fictitious gains in settling your allowed claim.

Since there were no profits to use either to purchase securities or to pay you any money beyond the amount that was deposited into your BLMIS account, the amount of money you received in excess of the deposits in your account (\$1,630,000.00) was taken from other customers and given to you. Accordingly, because you have withdrawn more than was deposited into your account, you do not have a positive "net equity" in your account and you are not entitled to an allowed claim in the BLMIS liquidation proceeding. Therefore, your claim is **DENIED** in its entirety.

On March 1, 2010, the United States Bankruptcy Court for the Southern District of New York (Lifland, J.) issued a decision which affirmed the Trustee's Net Investment Method for determining customer claims. The final resolution of this issue is expected to be determined on appeal.

Should a final and unappealable court order determine that the Trustee is incorrect in his interpretation of "net equity" and its corresponding application to the determination of customer claims, the Trustee will be bound by that order and will apply it retroactively to all previously determined customer claims in accordance with the Court's order. Nothing in this Notice of Trustee's Determination of Claim shall be construed as a waiver of any rights or claims held by you in having your customer claim re-determined in accordance with any such Court order.

Nothing in this Notice of Trustee's Determination of Claim shall be construed as a waiver of any rights or claims held by the Trustee against you.

PLEASE TAKE NOTICE: If you disagree with this determination and desire a hearing before Bankruptcy Judge Burton R. Lifland, you **MUST** file your written opposition, setting forth the grounds for your disagreement, referencing Bankruptcy Case No. 08-1789 (BRL) and attaching

DATE	TRANSACTION DESCRIPTION	AMOUNT	ADJUSTED AMOUNT
1/4/1993	TRANS FROM E&M2	\$740,284.45	\$320,000.00
2/2/1993	CHECK	\$75,000.00	\$75,000.00
2/2/1993	CHECK	\$75,000.00	\$75,000.00
4/7/2008	CHECK	\$35,000.00	\$35,000.00
Total Deposits:		\$925,284.45	\$505,000.00
DATE	TRANSACTION DESCRIPTION	AMOUNT	ADJUSTED AMOUNT
3/22/1993	CHECK	(\$25,000.00)	(\$25,000.00)
4/1/1993	CHECK	(\$25,000.00)	(\$25,000.00)
7/1/1993	CHECK	(\$25,000.00)	(\$25,000.00)
10/1/1993	CHECK	(\$25,000.00)	(\$25,000.00)
1/3/1994	CHECK	(\$25,000.00)	(\$25,000.00)
1/4/1994	CHECK	(\$40,000.00)	(\$40,000.00)
4/4/1994	CHECK	(\$25,000.00)	(\$25,000.00)
7/1/1994	CHECK	(\$25,000.00)	(\$25,000.00)
10/3/1994	CHECK	(\$25,000.00)	(\$25,000.00)
1/3/1995	CHECK	(\$25,000.00)	(\$25,000.00)
1/3/1995	CHECK	(\$35,000.00)	(\$35,000.00)
4/3/1995	CHECK	(\$25,000.00)	(\$25,000.00)
7/3/1995	CHECK	(\$25,000.00)	(\$25,000.00)
10/2/1995	CHECK	(\$25,000.00)	(\$25,000.00)
1/2/1996	CHECK	(\$25,000.00)	(\$25,000.00)
1/3/1996	CHECK	(\$40,000.00)	(\$40,000.00)
4/1/1996	CHECK	(\$25,000.00)	(\$25,000.00)
7/1/1996	CHECK	(\$25,000.00)	(\$25,000.00)
10/1/1996	CHECK	(\$25,000.00)	(\$25,000.00)
1/2/1997	CHECK	(\$25,000.00)	(\$25,000.00)
1/2/1997	CHECK	(\$40,000.00)	(\$40,000.00)
4/1/1997	CHECK	(\$25,000.00)	(\$25,000.00)
7/1/1997	CHECK	(\$25,000.00)	(\$25,000.00)
10/1/1997	CHECK	(\$25,000.00)	(\$25,000.00)
1/2/1998	CHECK	(\$25,000.00)	(\$25,000.00)
1/2/1998	CHECK	(\$45,000.00)	(\$45,000.00)
4/1/1998	CHECK	(\$25,000.00)	(\$25,000.00)
7/1/1998	CHECK	(\$25,000.00)	(\$25,000.00)
10/1/1998	CHECK	(\$25,000.00)	(\$25,000.00)
1/4/1999	CHECK	(\$25,000.00)	(\$25,000.00)
4/1/1999	CHECK	(\$25,000.00)	(\$25,000.00)
7/1/1999	CHECK	(\$25,000.00)	(\$25,000.00)
10/1/1999	CHECK	(\$25,000.00)	(\$25,000.00)
1/3/2000	CHECK	(\$25,000.00)	(\$25,000.00)

4/3/2000	CHECK	(\$25,000.00)	(\$25,000.00)
4/3/2000	CHECK	(\$40,000.00)	(\$40,000.00)
7/3/2000	CHECK	(\$25,000.00)	(\$25,000.00)
10/2/2000	CHECK	(\$25,000.00)	(\$25,000.00)
1/2/2001	CHECK	(\$65,000.00)	(\$65,000.00)
4/2/2001	CHECK	(\$65,000.00)	(\$65,000.00)
4/6/2001	RETURNED CHECK	\$65,000.00	\$65,000.00
4/6/2001	CHECK	(\$25,000.00)	(\$25,000.00)
7/2/2001	CHECK	(\$25,000.00)	(\$25,000.00)
10/1/2001	CHECK	(\$25,000.00)	(\$25,000.00)
1/2/2002	CHECK	(\$25,000.00)	(\$25,000.00)
4/1/2002	CHECK	(\$25,000.00)	(\$25,000.00)
7/1/2002	CHECK	(\$25,000.00)	(\$25,000.00)
10/1/2002	CHECK	(\$25,000.00)	(\$25,000.00)
1/2/2003	CHECK	(\$70,000.00)	(\$70,000.00)
4/1/2003	CHECK	(\$70,000.00)	(\$70,000.00)
4/8/2003	RETURNED CHECK	\$70,000.00	\$70,000.00
4/8/2003	CHECK	(\$25,000.00)	(\$25,000.00)
7/1/2003	CHECK	(\$25,000.00)	(\$25,000.00)
10/1/2003	CHECK	(\$25,000.00)	(\$25,000.00)
1/2/2004	CHECK	(\$65,000.00)	(\$65,000.00)
4/1/2004	CHECK	(\$25,000.00)	(\$25,000.00)
7/1/2004	CHECK	(\$25,000.00)	(\$25,000.00)
10/1/2004	CHECK	(\$25,000.00)	(\$25,000.00)
1/3/2005	CHECK	(\$25,000.00)	(\$25,000.00)
4/1/2005	CHECK	(\$25,000.00)	(\$25,000.00)
7/1/2005	CHECK	(\$25,000.00)	(\$25,000.00)
10/3/2005	CHECK	(\$25,000.00)	(\$25,000.00)
1/3/2006	CHECK	(\$25,000.00)	(\$25,000.00)
1/3/2006	CHECK	(\$30,000.00)	(\$30,000.00)
4/3/2006	CHECK	(\$25,000.00)	(\$25,000.00)
7/3/2006	CHECK	(\$25,000.00)	(\$25,000.00)
10/2/2006	CHECK	(\$25,000.00)	(\$25,000.00)
1/2/2007	CHECK	(\$60,000.00)	(\$60,000.00)
4/2/2007	CHECK	(\$25,000.00)	(\$25,000.00)
7/2/2007	CHECK	(\$25,000.00)	(\$25,000.00)
10/1/2007	CHECK	(\$25,000.00)	(\$25,000.00)
1/2/2008	CHECK	(\$60,000.00)	(\$60,000.00)
4/1/2008	CHECK	(\$60,000.00)	(\$60,000.00)
7/1/2008	CHECK	(\$60,000.00)	(\$60,000.00)
10/1/2008	CHECK	(\$25,000.00)	(\$25,000.00)
Total Withdrawals:		(\$2,135,000.00)	(\$2,135,000.00)
Total deposits less withdrawals:		(\$1,209,715.55)	(\$1,630,000.00)

securities (total of \$625,000.00). As noted, no securities were ever purchased by BLMIS for your account. Any and all profits reported to you by BLMIS on account statements were fictitious.

As reflected in Table 1, certain of the transfers into or out of your account have been adjusted. As part of the Trustee's analysis of accounts, the Trustee has assessed accounts based on a money in/money out analysis (i.e., has the investor deposited more or less than he or she withdrew from BLMIS). This analysis allows the Trustee to determine which part of an account's balance is originally invested principal and which part is fictitious gains that were fabricated by BLMIS. A customer's allowed claim is based on the amount of principal in the customer's account.

Whenever a customer requested a transfer from one account to another, the Trustee analyzed whether the transferor account had principal in the account at the time of the transfer. The available principal in the account was transferred to and credited in the transferee account. Thus, the reason that the adjusted amount of transferred deposits or withdrawals in Table 1 is less than the purported transfer amount is that the transferor account did not have sufficient principal available to effectuate the full transfer. The difference between the purported transfer amount and the adjusted transfer amount is the amount of fictitious gain that was transferred to or from your account. Under the money in/money out analysis, the Trustee does not give credit for fictitious gains in settling your allowed claim.

Since there were no profits to use either to purchase securities or to pay you any money beyond the amount that was deposited into your BLMIS account, the amount of money you received in excess of the deposits in your account (\$1,646,000.00) was taken from other customers and given to you. Accordingly, because you have withdrawn more than was deposited into your account, you do not have a positive "net equity" in your account and you are not entitled to an allowed claim in the BLMIS liquidation proceeding. Therefore, your claim is **DENIED** in its entirety.

On March 1, 2010, the United States Bankruptcy Court for the Southern District of New York (Lifland, J.) issued a decision which affirmed the Trustee's Net Investment Method for determining customer claims. The final resolution of this issue is expected to be determined on appeal.

Should a final and unappealable court order determine that the Trustee is incorrect in his interpretation of "net equity" and its corresponding application to the determination of customer claims, the Trustee will be bound by that order and will apply it retroactively to all previously determined customer claims in accordance with the Court's order. Nothing in this Notice of Trustee's Determination of Claim shall be construed as a waiver of any rights or claims held by you in having your customer claim re-determined in accordance with any such Court order.

Nothing in this Notice of Trustee's Determination of Claim shall be construed as a waiver of any rights or claims held by the Trustee against you.

PLEASE TAKE NOTICE: If you disagree with this determination and desire a hearing before Bankruptcy Judge Burton R. Lifland, you **MUST** file your written opposition, setting forth the grounds for your disagreement, referencing Bankruptcy Case No. 08-1789 (BRL) and attaching

DATE	TRANSACTION DESCRIPTION	AMOUNT	ADJUSTED AMOUNT
4/1/1993	CHECK	(\$27,000.00)	(\$27,000.00)
7/1/1993	CHECK	(\$27,000.00)	(\$27,000.00)
10/1/1993	CHECK	(\$27,000.00)	(\$27,000.00)
1/3/1994	CHECK	(\$27,000.00)	(\$27,000.00)
1/4/1994	CHECK	(\$40,000.00)	(\$40,000.00)
4/4/1994	CHECK	(\$27,000.00)	(\$27,000.00)
7/1/1994	CHECK	(\$27,000.00)	(\$27,000.00)
10/3/1994	CHECK	(\$27,000.00)	(\$27,000.00)
1/3/1995	CHECK	(\$27,000.00)	(\$27,000.00)
1/3/1995	CHECK	(\$35,000.00)	(\$35,000.00)
4/3/1995	CHECK	(\$27,000.00)	(\$27,000.00)
7/3/1995	CHECK	(\$27,000.00)	(\$27,000.00)
10/2/1995	CHECK	(\$27,000.00)	(\$27,000.00)
1/2/1996	CHECK	(\$27,000.00)	(\$27,000.00)
1/3/1996	CHECK	(\$40,000.00)	(\$40,000.00)
4/1/1996	CHECK	(\$27,000.00)	(\$27,000.00)
7/1/1996	CHECK	(\$27,000.00)	(\$27,000.00)
10/1/1996	CHECK	(\$27,000.00)	(\$27,000.00)
1/2/1997	CHECK	(\$27,000.00)	(\$27,000.00)
1/2/1997	CHECK	(\$40,000.00)	(\$40,000.00)
4/1/1997	CHECK	(\$27,000.00)	(\$27,000.00)
7/1/1997	CHECK	(\$27,000.00)	(\$27,000.00)
10/1/1997	CHECK	(\$27,000.00)	(\$27,000.00)
1/2/1998	CHECK	(\$27,000.00)	(\$27,000.00)
1/2/1998	CHECK	(\$45,000.00)	(\$45,000.00)
4/1/1998	CHECK	(\$27,000.00)	(\$27,000.00)
7/1/1998	CHECK	(\$27,000.00)	(\$27,000.00)
10/1/1998	CHECK	(\$27,000.00)	(\$27,000.00)
1/4/1999	CHECK	(\$27,000.00)	(\$27,000.00)
4/1/1999	CHECK	(\$27,000.00)	(\$27,000.00)
7/1/1999	CHECK	(\$27,000.00)	(\$27,000.00)
10/1/1999	CHECK	(\$27,000.00)	(\$27,000.00)
1/3/2000	CHECK	(\$27,000.00)	(\$27,000.00)
4/3/2000	CHECK	(\$27,000.00)	(\$27,000.00)
4/3/2000	CHECK	(\$40,000.00)	(\$40,000.00)
7/3/2000	CHECK	(\$27,000.00)	(\$27,000.00)

10/2/2000	CHECK	(\$27,000.00)	(\$27,000.00)
1/2/2001	CHECK	(\$67,000.00)	(\$67,000.00)
4/2/2001	CHECK	(\$67,000.00)	(\$67,000.00)
4/6/2001	RETURNED CHECK	\$67,000.00	\$67,000.00
4/6/2001	CHECK	(\$27,000.00)	(\$27,000.00)
7/2/2001	CHECK	(\$27,000.00)	(\$27,000.00)
10/1/2001	CHECK	(\$27,000.00)	(\$27,000.00)
1/2/2002	CHECK	(\$27,000.00)	(\$27,000.00)
4/1/2002	CHECK	(\$27,000.00)	(\$27,000.00)
7/1/2002	CHECK	(\$27,000.00)	(\$27,000.00)
10/1/2002	CHECK	(\$27,000.00)	(\$27,000.00)
1/2/2003	CHECK	(\$72,000.00)	(\$72,000.00)
4/1/2003	CHECK	(\$72,000.00)	(\$72,000.00)
4/8/2003	RETURNED CHECK	\$72,000.00	\$72,000.00
4/8/2003	CHECK	(\$27,000.00)	(\$27,000.00)
7/1/2003	CHECK	(\$27,000.00)	(\$27,000.00)
10/1/2003	CHECK	(\$27,000.00)	(\$27,000.00)
1/2/2004	CHECK	(\$67,000.00)	(\$67,000.00)
4/1/2004	CHECK	(\$27,000.00)	(\$27,000.00)
7/1/2004	CHECK	(\$27,000.00)	(\$27,000.00)
10/1/2004	CHECK	(\$27,000.00)	(\$27,000.00)
1/3/2005	CHECK	(\$27,000.00)	(\$27,000.00)
4/1/2005	CHECK	(\$27,000.00)	(\$27,000.00)
7/1/2005	CHECK	(\$27,000.00)	(\$27,000.00)
10/3/2005	CHECK	(\$27,000.00)	(\$27,000.00)
1/3/2006	CHECK	(\$27,000.00)	(\$27,000.00)
1/3/2006	CHECK	(\$30,000.00)	(\$30,000.00)
4/3/2006	CHECK	(\$27,000.00)	(\$27,000.00)
7/3/2006	CHECK	(\$27,000.00)	(\$27,000.00)
10/2/2006	CHECK	(\$27,000.00)	(\$27,000.00)
1/2/2007	CHECK	(\$67,000.00)	(\$67,000.00)
4/2/2007	CHECK	(\$27,000.00)	(\$27,000.00)
7/2/2007	CHECK	(\$27,000.00)	(\$27,000.00)
10/1/2007	CHECK	(\$27,000.00)	(\$27,000.00)
1/2/2008	CHECK	(\$72,000.00)	(\$72,000.00)
4/1/2008	CHECK	(\$72,000.00)	(\$72,000.00)
7/1/2008	CHECK	(\$72,000.00)	(\$72,000.00)
10/1/2008	CHECK	(\$27,000.00)	(\$27,000.00)
Total Withdrawals:		(\$2,271,000.00)	(\$2,271,000.00)
Total deposits less withdrawals:		(\$1,277,378.79)	(\$1,646,000.00)